

FINANCIAL INSTRUCTIONS

INTRODUCTION

These Financial Instructions have been prepared for all staff of the Authority, especially those who are responsible for financial matters during the course of their duties, and must be observed at all times.

The Financial Instructions concentrate on the basics and give general guidance only. Detailed procedures applicable to different areas of financial control, may supplement these. Financial Instructions prevail over any other procedures which may have been issued.

These Financial Instructions should be considered in conjunction with the Authority's other procedures including: Procedural Rules, Financial Procedural Rules, Contract Procedural Rules, Scheme of Delegation, Health and Safety Guidelines and other guidance issued by the Authority.

The Chief Executive shall designate appropriate officers as authorised for the purpose of certifying financial transactions and shall agree these, including any limitations on their scope of authority, with the Treasurer to the Authority.

Employees have a duty if they suspect incidences of fraud, misappropriation or corruption which impact on the Authority, to report such matters. This would normally be to the Chief Executive, Director, Assistant Director, or to the Internal Audit Section of the Chief Executive's Department at St. Helens Council. However if the employee is concerned at this approach then specific procedures for confidential reporting exist within the 'Whistleblowing Policy'. Further information regarding this matter is contained within the Authority's Anti Fraud and Corruption Strategy.

Where there is doubt about any instruction, the Business Support Manager will offer guidance or seek advice from the Treasurer to the Authority, where necessary.

The requirements of the Financial Instructions should be adhered to, failure to do so could, and probably will, lead to disciplinary action.

Peter Williams

Treasurer to the Authority

November 2016

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SECTION ONE

ACCOUNTING AND BUDGETARY CONTROL

"The Authority must be able to account for its actions and the expenditure of Public Money properly"

- 1.1 The Chief Executive in consultation with the Treasurer shall designate relevant Managers as budget managers who will be authorised to certify financial transactions and/or be accountable for the management of budgets in accordance with Financial Procedural Rules and Contract Procedural Rules.
- 1.2 Appropriately designated Officers shall ensure that all payments are properly incurred, legal and within existing budget limits.
- 1.3 All payments shall be coded correctly in line with the coding structures prevailing at the time and taking into account the relevant budget head against which expenditure is to be incurred.
- 1.4 Similarly, Officers responsible for the accounting of income transactions shall ensure that a valid relevant code is attached to each transaction.
- 1.5 Budget Managers shall ensure that they receive and review budget monitors on a regular basis (at least monthly). These should be derived, directly or indirectly, from the St. Helens Council's Financial Information System which shall remain the prime record of budgetary control in terms of approved budgets and expenditure; the Business Support Manager shall provide regular summary reports from FIS to support the budget managers. Budget managers shall make arrangements for the accurate assessment of committed expenditure since the last update of F.I.S. In order to provide better monitoring information budget managers shall work with the Business Support Manager to ensure budget profiles are included in the FIS system. Where budget managers are unclear then they shall consult the Business Support Manager who will provide guidance on the processes to be undertaken.
- 1.6 The budget managers shall ensure that the periodic information provided from F.I.S. represents accurately the transactions they have incurred and that all necessary maintenance of F.I.S. has been carried out. The Business Support Manager will be required to monitor the position to ensure that the integrity of F.I.S. is not undermined by the misuse of coding or as a result of any other issue.
- 1.7 The Business Support Manager will also be responsible for controlling the rectification of wrong codings and inaccurate budgets and will ensure that all suspense items are cleared on a frequent and regular basis.

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- 1.8 Budget managers shall have a duty to manage their budgets in order to obtain best value for money and ensure that the policies and priorities of the respective service areas are achieved efficiently and cost effectively. In doing so they must ensure that they discuss with and/or inform the Business Support Manager whenever issues of a budgetary nature arise. This will include circumstances where new or additional areas of expenditure or income are identified, or issues relating to the appropriateness of current budgets determine.
- 1.9 The Business Support Manager is responsible for reporting variations and pressures against approved budgets to the Chief Executive and the Treasurer to the Authority on a frequency to be determined by the Treasurer to the Authority. Budget managers are also responsible for reporting significant variances in budgets vs expenditure/income and budget pressures to the Business Support Manager and EMT.
- 1.10 The Business Support Manager will be responsible for the preparation of Annual Final Accounts and budget estimates, in compliance with Financial Procedure Rules and all relevant Strategies, Plans, Policies and priorities of the Authority, and in accordance with the timetable determined by the Treasurer to the Authority.
- 1.11 It should be noted that these Instructions apply equally to revenue and capital items of income and expenditure.
- 1.12 The Authority is required to comply with Government regulations on transparency of transactions, so each month the Business Services Manager will prepare a report in the format required by the regulations that sets out the Authority's expenditure for each item over £500. The report will be published each month on the Authority's website – after consultation with the Treasurer to ensure that no entry should be redacted to protect personal information.
- 1.13 The Authority is required to comply with additional Government regulations on transparency and to ensure it complies will report as follows:
- Contracts and procurement – quarterly
 - Tenders – quarterly
 - Grants – annually
 - Land and facilities – annually
 - Constitution – annually
 - Pay principle – annually
 - Trade Union facility time – annually
 - Organisation chart - annually

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SECTION TWO

INCOME

"All income received should be receipted"

2.1 AUTHORISED OFFICERS

- 2.1.1 Only specifically authorised officers should be engaged in the receipt and collection of cash – the Director of Finance, Business Support Manager, Business Services Manager.
- 2.1.2 Every officer involved in the receipt and collection of cash must receive sufficient training to enable them to carry out such duties. They should have access to, and be familiar with these Financial Instructions and comply with these Instructions

2.2 FORMS OF INCOME

- 2.2.1 The following forms of payment are taken as income by the Authority. These payment methods are taken in order:-

2.3 CHEQUE PAYMENTS

- 2.3.1 Cheques and postal orders must not be left blank and should be completed by the payer with the necessary details i.e. payee (Merseyside Waste Disposal Authority or Merseyside Recycling and Waste Authority, the bank will accept either) date, amount in words and figures, signature.
- 2.3.2 In no circumstances whatsoever may a cheque be made payable to an individual officer. Third Party cheques should not be accepted.
- 2.3.3 Post Dated Cheques must not be accepted unless by prior arrangement with the Treasurer to the Authority.
- 2.3.4 Where possible, a cheque payment for sales, fees or charges should be substantiated by a cheque card ensuring the signature on the card and the cheques correspond and the card number is written on the back of the cheque along with the card expiry date.
- 2.3.5 A cheque payment for sales, fees or charges must not be accepted if:
 - (i) the identity of the payer cannot be established with certainty;
 - (ii) if the service for which the payment is in consideration cannot subsequently be cancelled without loss to the Authority.

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- 2.3.6 Where a cheque card is not produced, the address of the payer should be written on the back of the cheque, together with the name or stamp of the establishment receiving the cheque.
- 2.3.7 Cheques should be scrutinised to ensure their validity, in particular the matching of words and figures and the date is valid. Special care should be taken when a cheque is received early in the new Calendar Year.

2.4 ELECTRONIC PAYMENTS

- 2.4.1 Electronic payments can only be received through St. Helens Council's cash receipting system, or other authorised system. All devices and locations used in the receipt of electronic payments must be approved by the Treasurer to the Authority.

2.5 CASH

- 2.5.1 Income accepted in cash should be in current Bank of England Notes and coinage, but may also include notes issued by the Banks of Scotland and Isle of Man. The Authority may also accept payments in Euro currency.
- 2.5.2 As a protection against forged notes and coins, the Authority reserves the right to refuse certain denominations of note, or types of currency on advice from the Bank of England or the police, where there is a high risk of forgery.

2.6 AUTOMATED PAYMENTS

- 2.6.1 Automated payments include payments received by BACS transfer, and Direct Debits, and are the most cost-effective method of receiving income.
- 2.6.2 Arrangements to receive BACS payments must be made through the Accounts section of the Finance Division at St Helens Council. Where significant payments are anticipated, authorised officers must inform the St. Helens Income Section of Finance in advance, and provide a valid objective code, against which the income can be associated with.
- 2.6.3 Direct Debit arrangements must be made through the St Helens Council's Debtors system, or through other approved accounting systems. Services offering payment by direct debit must only do so on the approval of the Treasurer to the Authority.
- 2.6.4 Customers must be informed, in writing, of any changes in direct debit amounts, or dates, in writing, at least 28 Days before these are effective.

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2.7 USE OF THIRD PARTY COLLECTION AGENTS

- 2.7.1 Third parties may only be used to collect income for the Authority on the approval of the Treasurer to the Authority and any arrangements must be subject to appropriate contractual arrangements, which protect the Authority from any loss of income. All third parties must provide the Authority with appropriate documentation to demonstrate amounts and timings of payments, and all income must be paid into the Authority's bank account in accordance with contractual arrangements.

2.8 CONTROL OF INCOME

- 2.8.1 This section sets out the responsibilities of officers in respect of income. Some of these regulations are specific to individual types of payment, however they all are based on common principles.

2.9 RECEIPTING OF PAYMENTS AND POSTAL REMITTANCES

- 2.9.1 A Register of Receipts and Remittances must be kept at all establishments where monies are received, irrespective of the numbers and value – normally this will only be at the Mann Island Offices.
- 2.9.2 The following instructions apply in respect of official receipts for Authority payments.
- i. A Receipt/Ticket must be issued whenever a payment is received.
 - ii. A receipt must be issued to the customer and a copy retained.
 - iii. An official receipt shall be in the form of a compliment slip completed by the Authority – a copy of which shall be made and retained by the Business Services Manager (the infrequency of cash receipts means it is inefficient to maintain a standard receipt book or standard 'tickets').
 - iv. Compliment slips issued as receipts should be numbered and issued consecutively. The number and other details (see 2.9.2.v) should be recorded in the register.
 - v. Receipts must be fully completed, showing the customer's name, the date, the amount, the cheque number if applicable and a description/reference relating to the sum received.
 - vi. The receiving officer should sign the receipt.
 - vii. Cancelled receipts should be retained.

viii. Receipts should be reconciled to the cash received.

2.10.2 The sending of cash to the Authority through the post should be discouraged. If cash is received, it should be verified in the presence of another officer and returned to the original envelope in which it was received, resealed with the amount noted on the envelope.

2.10.3 Remittances should be recorded in the Register immediately after the mail is opened and record the following details:

- (i) date (of receipt of payment);
- (ii) name of payer;
- (iii) amount;
- (iv) comments/details of payments;
- (v) details of when passed for banking/to cashier.

2.10.4 Remittances should be checked for the following:

- (i) date;
- (ii) payee completed as "Merseyside Waste Disposal Authority" or "Merseyside Recycling and Waste Authority" (no other payee is acceptable). Any correspondence to persons likely to send a remittance to the Authority should advise "Cheques should be made payable to MWDA"
- (iii) the amount (words and figures agree);
- (iv) the signature of the payer;
- (v) reference/details of the payment.

2.10.5 Any remittance that does not give the above information or gives general cause for concern, should be brought to the attention of a Senior Officer (e.g. their line manager or other more senior member of staff), particularly where the payee is not Merseyside Waste Disposal Authority or Merseyside Recycling and Waste Authority (the bank will accept both names).

2.10.6 Any invalid remittance e.g. Unsigned or post-dated cheque should still be recorded in the Remittance Register but endorsed to state that it has been returned and the reason why. A Senior Officer should verify that it has been returned for a valid reason and sign the Register accordingly.

- 2.10.7 Remittances should be banked at the earliest possible convenience. Individual cheques received for over £1,000 must be passed to the appropriate banking point no later than 2.00 p.m. on the first business day following receipt.
- 2.10.8 When remittances are banked, the reference to the corresponding 'paying in' slip should be recorded on the Remittance Register.
- 2.10.9 Special arrangements may need to be made with the Treasurer to the Authority in areas where large volumes of remittances are received by external or internal mail and where working practices may need a different arrangement.

2.11 SECURITY

- 2.11.1 Every Officer involved in the handling of money is responsible for its correctness and safe custody.
- 2.11.2 All monies must be locked in a safe receptacle and not left unattended unless safely stored.
- 2.11.3 Access to monies should be restricted to designated personnel and keys giving access to safes, drawers, etc., should only be retained by designated officers.
- 2.11.4 Amounts retained in premises overnight should be kept to a minimum, and must be within the appropriate insurance cover limits.
- 2.11.5 Authority money must be kept separate from private or unofficial monies at all times. Private or unofficial monies are not covered by the Authority's Insurance. Authority money must not be used for unofficial purposes and staff who break this instruction may face disciplinary action.
- 2.11.6 All monies collected must remain intact and not used for reimbursements or purchases.
- 2.11.7 Official monies should not be used to cash personal cheques or make personal advances. Any contravention of this regulation constitutes gross misconduct, and may also result in police action against the individual concerned.
- 2.11.8 Officers should not retain large sums of Authority money on their person.
- 2.11.9 Cash should also be scrutinised to guard against forgeries. The Bank of England guide on forged notes should be read and displayed to the public.

2.12 BANKING AND DEPOSITS

- 2.12.1 Every Collecting Officer must pay in all cash, cheques and postal orders in such a manner and at such intervals as determined by the Treasurer to the Authority.
- 2.12.2 Such in-payments (bankings) must be balanced to receipts and any under or over banking recorded on the relevant accounting documents.
- 2.12.3 All relevant documentation ('paying-in slips') must be fully and accurately completed.
- 2.12.4 The information on 'paying in' slips should be:
- (i) the Period Ended covering the monies (or date);
 - (ii) the signature of the officer paying-in;
 - (iii) details of the Income Code (if known);
 - (iv) the amount of each collective sum or similar type of income;
 - (v) details of the cash/cheques and for cheques, the corresponding receipt number.
 - (vi) VAT breakdown
- 2.12.5 Information on a Bank Paying-in Slip or Post Office Paying-in Slip should be in accordance with the requirements of each bank or post office.
- 2.12.6 In both 2.12.4 and 2.12.5 there is a statutory requirement (The Accounts and Audit Regulations 2015) to enter on the paying-in slip the amount of the cheque and the receipt number/or the "debtor's" name in order to connect the cheque and the "debt". The name of the drawer of the cheque (if different from the name of the debtor) should be recorded.
- 2.12.7 Bankings should be paid direct to the Bank Account operated by St Helens Council and which shared by the Authority, or to any Security Firm engaged by the Authority for this purpose.
- 2.12.8 For all monies deposited at a Bank or Post Office, a receipt must be obtained. No monies must be left without obtaining a receipt.

2.13 CREDIT INCOME

- 2.13.1 Unless otherwise agreed, all accounts raised for income due to the Authority, should be rendered in the name of the Authority.

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- 2.13.2 Copies of all accounts should be provided to the Treasurer to the Authority promptly for control and recovery purposes (this will usually be electronically).
- 2.13.3 All accounts should be raised promptly on information becoming available.
- 2.13.4 All accounts should be produced accurately, neatly and with the necessary information, to enable the debtor to pay promptly.
- 2.13.5 Retention of back-up information is subject to the same requirements as other forms of income, which is for a minimum three years, but longer where an account is subject to Legal dispute.
- 2.13.6 Accounts will be submitted electronically by St Helens Council when they will be numbered and available to this Authority for control and review purposes.
- 2.13.7 Information regarding VAT and VAT Codes should be addressed via the Business Support Manager.
- 2.13.8 Additional guidelines for completing accounts are available from the Revenues Division (Income Section) at St. Helens Council.

2.14 FORGED CURRENCY

- 2.14.1 Where facilities have been provided for the scrutiny of bank notes, these must be used at all times.
- 2.14.2 Notes which are forged or suspected of being forged should be retained and not passed back to the payer. An acknowledgement of receipt of the forgery should be given but the payment should not be formally receipted.
- 2.14.3 Forged currency received after a receipt has been issued, should be forwarded to the Treasurer to the Authority, who will issue a form of discharge on receipt of the forgery. Details of when and where the forgery was taken should be forwarded if known.
- 2.14.4 The Treasurer to the Authority will hand the forgeries to the Police from whom a receipt will be obtained.
- 2.14.5 Any forgeries discovered after banking by the Treasurer to the Authority or the Authority's Banker or Agent, will result in the banking total being reduced and the establishment advised by the form of discharge.
- 2.14.6 On advice from the Bank of England, or from the Police, the Authority may refuse certain denominations, or types of currency, where there is an increased risk of

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forgery. In such circumstances, an instruction may be issued by the Treasurer to the Authority and prominently displayed in all facilities where cash is received.

2.15 MONEY LAUNDERING REGULATIONS/PROCEEDS OF CRIME ACT 2002

- 2.15.1 The Authority has access to the St. Helens Council appointed Money Laundering Reporting Officer, in compliance with the Proceeds of Crime Act, 2002. This role is the responsibility of the Treasurer to the Authority.
- 2.15.2 The Authority should not accept payments of cash in excess of the limit set by the Proceeds of Crime Act (2002). This limit is set at 15,000 euro, and as a proxy for this, the Authority's limit is set at £10,000 (to be reviewed in line with any significant movements in sterling / euro exchange rate)
- 2.15.3 Payments of cash in excess of this amount should be refused unless in exceptional circumstances. Where it may be necessary to accept cash in excess of this amount, the transaction must be referred to the St. Helens Council's Money Laundering Reporting Officer for approval.
- 2.15.4 The Authority must take reasonable steps to protect itself from receiving the proceeds of crime, whether in cash, or in other transactions. The Money Laundering Reporting Officer is responsible for providing training and guidance on the Act to staff involved in receiving, or negotiating, transactions.
- 2.15.5 Staff involved in receiving or negotiating transactions should have regard for unusual transactions, or business practices such as:-
- Use of cash where other means of payment would be more usual
 - Unusual transactions or ways of conducting business
 - Secretiveness / evasiveness
 - Use of overseas companies
 - New companies
 - Companies with nominee directors
 - Payment of deposits, which are wanted back
 - Lack of 'traceability'
 - Lack of a track record for companies / individuals
 - Approach to Authority to be involved in novel sorts of business or transaction
 - Involvement in developments with unusually generous terms
 - High bids for land sales or other assets
 - Request to structure a deal a particular way 'for tax purposes'

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- 2.15.6 Where suspicion is aroused, the staff involved must refer the transaction to the Treasurer who with the St. Helens Council's Money Laundering Reporting Officer, will decide whether to accept the transaction, or to make a referral to NCIS, in accordance with the Act.
- 2.15.7 Officers should be aware that even unwitting receipt of the proceeds of crime, may lead to personal liability for prosecution.

SECTION THREE

EXPENDITURE

"Expenditure must be legal, appropriate and within budget provision"

3.1 ACCOUNTS PAYABLE (INVOICES)

- 3.1.1 No commitment to incur expenditure should be made before ascertaining that the purpose and extent of the expenditure is legal, properly authorised and is covered by an approved budget provision, or specifically approved by the Treasurer to the Authority in line with the Authority's Scheme of Delegation.
- 3.1.2 Official orders must be issued for all goods and services using the Authority's electronic ordering system with the exception of petty cash purchases, or any other services specifically approved by the Treasurer to the Authority. Any verbal orders must be confirmed immediately by an official order. All orders must be issued in accordance with the approved Procedure for the Acquisition of Goods and Services and should, wherever possible, fully comply with the Authority's Sustainable Procurement Policy.
- 3.1.3 All goods and services must be checked on receipt or completion, the delivery note or other record signed by the person receiving the goods and any discrepancies notified immediately in writing to the supplier. Signed delivery notes should be retained or passed to the appropriate, designated Invoice Processing Officer to be matched with the electronic order and to enable payment to be authorised upon the subsequent receipt of a request for payment. Proper and timely entries must be made in inventories.
- 3.1.4 Unless other arrangements have been specifically approved by the Treasurer to the Authority, suppliers must be requested to send invoices to the address specified on the official order and must include the name of the Authority, order number(s), details of the works, goods or services supplied, and any reference to delivery notes (where applicable).
- 3.1.5 The Chief Executive or their authorised representative shall be responsible for the certification of invoices having taken appropriate checks to ensure:
 - (i) the goods and services to which the invoice relates have been ordered, received, examined and approved as to quality and quantity or that the work has been done satisfactorily in accordance with the order;

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- (ii) that the prices, trade discounts, arithmetic, expenditure code and V.A.T. allocation are correct and the account has not been paid previously;
 - (iii) the expenditure is lawful;
 - (iv) the expenditure complies with all requirements of the Authority Constitution, with particular regard to Financial Procedural Rules and the Contract Procedural Rules;
 - (v) that appropriate entries have been made in inventories.
- 3.1.6 Authorised invoices, together with a properly completed input document (Type 1) must be passed to the Accounts Payable Section at St. Helens Council at the earliest opportunity, and in all instances, in sufficient time to enable payment to be processed within agreed payment terms. Duplicate invoices must be endorsed with an adequate explanation for the non-availability of the original invoice and confirmation given that the amount has not been previously paid. Under no circumstances should payment be made purely on the basis of supplier statements having been received.
- 3.1.7 The Accounts Payable Section will control the timing of payment in accordance with the payment terms established for each vendor, and will calculate and deduct early payment discount as appropriate.
- 3.1.8 The Treasurer to the Authority will specify the method of dealing with regular periodical payments and information concerning any change in, or the cessation of such liability, must be notified by the designated responsible Officer immediately as soon as such arises.
- 3.1.9 For all suppliers, vendor records including payment terms will be established by the Accounts Payable Section at St. Helens Council on receipt of a properly authorised vendor requisition together with the initial account payable.
- 3.1.10 Every attempt should be made to facilitate the payment of sums by BACS and suppliers should be encouraged to provide full account details on official supplier stationery as part of the vendor requisition process.
- 3.1.11 No payment should be made to parties without good reason for not having obtained an official invoice. In these circumstances, any other documentation that can be used to substantiate payment must be attached to the relevant Accounts Payable Input document (Type 2) via the electronic Type 2 system or hardcopy where appropriate. The Type 2 record must also be fully completed with sufficient

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narrative detail to explain the exact nature of payment. Certifying Officers have a responsibility to ensuring this is enforced.

- 3.1.12 No VAT must be reclaimed without sufficient detail included on the relevant documentation to substantiate the transaction, and steps must be taken to ensure that the coding of VAT is appropriate in all cases -including the necessary liaison with the Business Support Manager or the St. Helens Council VAT Officer.
- 3.1.13 Cheques will not be returned to Originating Officers without sufficient justification and any requests for such to be implemented must be certified by an appropriate Officer. Such instances must be considered as exceptional, since provision exists within processes and procedures for documentation required to accompany cheques to be posted directly from the Accounts Payable Section.
- 3.1.14 Credit notes, refunds or other appropriate redress must be obtained where payments have been made and goods are subsequently deemed faulty, services considered unsatisfactory or payment has resulted in an overpayment.
- 3.1.15 Payments may occasionally be requested by suppliers in advance of services being delivered. Generally this is not allowed. There may be circumstances where such an advanced payment may be a means of obtaining a significant discount on the amount that may otherwise be paid. In such circumstances the Treasurer will determine whether the payment will be approved. In each case an approval by the Treasurer does not mean there is a general approval, in the circumstances described it will be a case by case consideration for the Treasurer. Any approval will also be related to the certainty of future delivery of the services being procured.

3.2 ACCOUNTS PAYABLE (SELF-BILLING PAYMENTS)

- 3.2.1 Arrangements have been agreed between the service provider, St Helens Councils and H.M. Customs for the operation of a self-billing scheme in relation to major building, construction and engineering contract works.
- 3.2.2 All staff involved in the making of payments to contractors under these arrangements must be fully conversant and compliant with the detailed self-billing instructions prepared by the Treasurer to the Authority.
- 3.2.3 Payment will be made to the contractor by the Accounts Payable Section upon receipt of the appropriately completed and certified payment certificate.

3.3 PAYMENT OF SALARIES, WAGES AND ALLOWANCES

- 3.3.1 The arrangement for the payment of salaries, wages and other emoluments to Members, employees or former employees of the Authority shall be determined in line with the Service Level Agreement with St Helens Council.
- 3.3.2 Approval of payroll amendments will be compliant with the Authority's Scheme of Delegation and any instructions by an authorised Officer to amend payroll records should be submitted in writing by the Business Services Manager to St Helens in an agreed format.
- 3.3.3 All claims for remuneration such as timesheets, overtime, expenses, subsistence allowances, mileage and lump sum, by individual employees, must be made on the appropriate pre-formatted documentation, fully completed and signed by the employee and certified by an authorised Officer. All claims should be submitted by the processing deadlines set by the Head of Human Resources, St. Helens. This will normally be within two months of incurring the costs being reclaimed.
- 3.3.4 The Business Services Manager must ensure that payroll transactions in respect of their budget are accurate in terms of value and coding, that all employees exist, all leavers have been terminated and suspensions have been effected. The Business Services Manager should advise the Treasurer to the Authority immediately where any related issues arise.

3.4 PETTY CASH

- 3.4.1 All expenditure including petty cash transactions must be properly controlled and accounted for and will be processed through the Accounts Payable system at St. Helens, which operates on a daily routine. In this context, petty cash should be reserved for small value purchases and those exceptional circumstances where the normal procurement and payment routines cannot satisfy operational requirements e.g. emergency cash payment out of hours.
- 3.4.2 A petty cash imprest is held by and the responsibility of the Business Services Manager. The issuing of petty cash is subject to the Petty Cash Procedure which includes official cash handover procedures when shift changes are in operation. If other officers have access to the imprest they should be made aware of and adhere to the procedures outlined below to ensure that sound administration and control exists:
 - (i) cash must always be held in a secure place;

- (ii) every person receiving cash must sign a voucher detailing the amount and purpose of the expenditure and submit a receipted voucher from the supplier. VAT invoices/receipts must be obtained from suppliers whenever possible. All vouchers must be coded to the appropriate head of expenditure, the amount of VAT being coded separately;
- (iii) receipts must be numbered consecutively signed by the Officer undertaking the expenditure and entered in the Petty Cash Book at the time of issue;
- (iv) a single payment from petty cash should not normally exceed **£30**. Exceptions to this must always be agreed by the Treasurer to the Authority.
- (v) petty cash must not be used for personal requirements under any circumstances e.g. cashing personal cheques, giving IOUs or for any other unofficial purpose;
- (vi) payments to claimants must never be made from any other float;
- (vii) the petty cash book, together with the summarised coded account, supported by the appropriate vouchers should be submitted at regular intervals, at least monthly, for reimbursement of the imprest;
- (viii) annually, any officer responsible for petty cash must certify a form issued by the Business Support Manager stating the total imprest amount held.

SECTION FOUR

CREDIT CARDS

'APPROPRIATE USE'

4.0 CREDIT CARDS

4.1 QUALIFICATION FOR CARDS

4.1.1 Cards will be issued to facilitate the on-the-spot purchase for eligible items of expenditure for:

- i. Chief Executive
- ii. Other officers for whom a defined need exists; who can provide a justification for this need; and whose need is certified by the Treasurer to the Authority.

4.2 APPLICATION FOR CARDS

4.2.1 A NatWest Business Card Application must be completed for qualifying individuals upon the receipt of a certified application form within the St Helens Council Accountancy, Exchequer & Performance Section (see Annex 1). These applications will be controlled by the Treasurer to the Authority alongside the St Helens Council Accountancy, Exchequer & Performance Section only – no other sections should undertake any process relating to the applications.

4.2.2 The St Helens Council Accountancy, Exchequer & Performance Section will retain the Annex 1 documentation, certified by the Treasurer to the Authority or the Chief Executive, and a copy of the NatWest redacted Application Form which has been approved by the Chief Executive & Treasurer to the Authority as Authorised Signatories for the Authority's section of the St Helens Council Onecard programme.

4.3. ACKNOWLEDGEMENT OF CARDS

4.3.1 Arrangements will be made such that NatWest will send all new cards to the St Helens Council Treasurer who, in turn, will make arrangements to ensure, and witness, that:

- (i) the card is signed by the cardholder applicant;
- (ii) the applicant signs an acknowledgement and indemnity relating to use of the card (see Annex 2); and
- (iii) a log is maintained of all Authority and St Helens Council Business Cards issued by the Accountancy, Exchequer and Performance Section

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- 4.3.2 Upon receipt of a signed acknowledgement and indemnity form, the Accountancy, Exchequer & Performance Section will ensure that the Authority is informed of the existence of a credit card for the individual concerned.

4.4 TRANSACTIONS UNDERTAKEN

- 4.4.1 At all times the Authority cards will remain the property of the Authority and must not be used for any unauthorised purpose.
- 4.2 The use of an Authority Business Card is the responsibility of the cardholder, who must ensure:
- (i) All relevant Financial Procedure Rules, and Financial Instructions of the Authority must be adhered to at all times. In particular, the necessity for expenditure incurred to be legal, appropriate and within budget provision must be constantly ensured.
 - (ii) Transactions undertaken on credit cards should only be in respect of those items where the use of official orders would prove inappropriate/impossible, or where it can be unequivocally demonstrated and evidenced that efficiencies have been gained in transacting by that method.
 - (iii) They are aware of the nature of the transaction and ALL transactions are supported by appropriate receipts; which are kept in accordance with the Authority's retention of records policies.
 - (iv) Card security details are not divulged to third parties.
 - (v) They are at all times responsible for the security of the card and under no circumstances will Authority Business Cards be kept securely by the person named on the card (in line with St Helens Council's revised procedures). Upon the discovery that a card is lost, they must follow the process outlined in Section 4.10.
 - (vi) Where there are concerns over the use of a card, they will report this to the Treasurer, and to St Helens Council's Accountancy, Exchequer and Performance Section.

4.5. STATEMENT OF USAGE AND BILLING OF CHARGES INCURRED

- 4.5.1 Individual statements are downloaded from Cards Online by programme administrators within the St Helens Council Accountancy, Exchequer and Performance Section every month. These are forwarded to the Business Support Manager and the Treasurer.

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- 4.5.2 Statement detail will be used by for control purposes, and the appropriate suspense codes will be debited with the sum total of the payment that will be made to the card provider direct from the Council's bank account on the Authority's behalf.
- 4.5.3 The Council's Treasurer will ensure that copies of the statements are promptly provided to the Business Support Manager for processing.
- 4.5.4 The Business Support Manager has the responsibility of liaising with the cardholder to ensure that the suspense codes are credited and all relevant cost centres are charged for expenditure incurred. This must be done on a timely basis and VAT implications need to be considered and VAT recovered as appropriate.
- 4.5.5 The Business Support Manager MUST be satisfied that all obligations on the part of the cardholder are met and refer any concerns that they have relating to inappropriate use or supporting documentation to the Treasurer; to the Chief Executive; or to Internal Audit.

4.6 RETENTION OF RECORDS

- 4.6.1 There is a necessity to ensure that the charges included on the statements and debited from the bank account are backed up by official receipts for purchases made. These receipts should include sufficient level of detail where VAT is applicable, to enable the reclaim of VAT as appropriate.
- 4.6.2 All receipts should be retained, in accordance with the Authority's Retention of Records Policy, by the user or by the Business Support Manager, alongside the individual statement, and these must be made available for inspection upon demand by the Treasurer or Internal Audit.

4.7 ANNUAL REVIEW OF CARDHOLDERS

- 4.7.1 The list of current cardholders will be reviewed as a minimum on an annual basis. Where a cardholder (Section 1 part iii) has not used a Business Card within a period of 12 months, the card may be subject to cancellation or will require written approval by the Chief Executive or Treasurer for the continued access to a card.
- 4.7.2 An Officer's business card limit must be appropriate for their defined need, as detailed in their justification for a card (Annex 1) A review of card holder limits will be undertaken annually by the St Helens Council's Accountancy, Exchequer and Performance Section.
- 4.7.3 A permanent increase in cardholder limits must be agreed by the Treasurer in writing. The St Helens Council's Accountancy, Exchequer and Performance Section will arrange for the increase via Cards Online and retain the appropriate records to support the increase.

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4.8 RENEWAL OF CARDS UPON EXPIRY

- 4.8.1 Shortly prior to the expiry of individual cards, renewal cards will be submitted by NatWest to the St Helens Council Treasurer .
- 4.8.2 Upon expiry of the original cards, the St Helens Council Treasurer will arrange for the undertaking of those procedures included in Section 3 - Acknowledgement of Cards, in addition to ensuring that the old card is destroyed.
- 4.8.3 It is the responsibility of individual cardholders to return their expired card to the Accountancy, Exchequer and Performance Section. New cards will not be issued to cardholders until the old card has been received and signed for by the St Helens Council Accountancy, Exchequer and Performance Section.
- 4.8.4 The issue of new cards will be controlled by the St Helens Council Accountancy, Exchequer and Performance Section who will ensure the new card is signed for by the cardholder and an appropriate log of this will be maintained.

4.9 CANCELLATION OF CARDS

- 4.9.1 Upon determining the need to cancel an individual card, the St Helens Council Accountancy, Exchequer & Performance Section will cancel the account via NatWest Cards Online system and ensure that the card has been destroyed by shredding the card and this will be witnessed by a second member of the St Helens Accountancy, Exchequer and Performance Section and a record of destroyed cards will be maintained.
- 4.9.2 In addition, cancellation of the card is confirmed when the Membership Fee is part refunded on the next statement.
- 4.9.3 The Business Services Manager should ensure that prior to existing cardholders leaving the employment / Office of the Authority that notification is sent to St Helens Council Accountancy, Exchequer & Performance Section to enable the process for cancellation of cards to be undertaken.

4.10 LOST CARDS

- 4.10.1 Lost cards must be reported by the cardholder to the Treasurer and Business Services Manager and onward to the St Helens Council Accountancy, Exchequer & Performance Section as soon as the loss is noticed. In any event St Helens Council's Accountancy, Exchequer and Performance Section must be notified. The card will be cancelled and a new card re-issued and the procedures outlined in Section 4.3 - Acknowledgement of Cards, will be then followed.
- 4.10.2 If the previous card is subsequently found it must not be used under any circumstances and it must be returned immediately to the St Helens Council Accountancy, Exchequer & Performance Section for destruction as outlined in 4.9.1.

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Any queries relating to the procedures pertaining to the issue and control of credit cards should be directed to:

Paul Ellison, St Helens Council, Treasury & Systems Officer,

01744 673226

Onecard Lost or Stolen - 0370 6000 459

Onccard Lost or Stolen (if outside UK) - +44 1268 500 813

Onecard Helpline - 03870 0101 152

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4.11 APPLICATION FOR THE USE OF CREDIT CARD

NAME:

POSITION HELD:

TELEPHONE NO:

PURPOSE OF USAGE:

I HEREBY APPLY FOR USE OF AN AUTHORITY CREDIT CARD AND AGREE TO ABIDE BY CONDITIONS (i) to (xi) AS DETAILED ON THE ATTACHED SHEET.

SIGNED:

DATE:

CERTIFIED:

DATE:

(Where appropriate)

AUTHORISED:

DATE:

(Chief Executive)

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4.12 CONDITIONS OF USAGE -AUTHORITY CREDIT CARDS

- i. At all times the card will remain the property of Merseyside Waste Disposal Authority.
- ii. The card must not be used for any unauthorised purpose;
- iii. All relevant Financial Procedural Rules, Financial Instructions and Standing Orders will be observed in conjunction with the use of the card;
- iv. Transactions entered into on the card will only be those where the use of official orders would prove inappropriate.
- v. No other claim shall be made for those items for which the card has been used;
- vi. The card shall be returned on demand to Merseyside Waste Disposal Authority.
- vii. Official receipts should be obtained for every transaction completed on the card and retained, alongside all relevant accompanying documentation. All such documentation should be made available to the Business Support Manager to enable relevant accounting entries and VAT reimbursement to be made;
- viii. Merseyside Waste Disposal Authority reserves the right to terminate the provision of credit facilities at its discretion.
- ix. The card must be recognised as a valuable possession, and kept in safe possession at all times;
- x. The card shall be preserved in good condition -a damaged card may not be accepted by retailers;
- xi. The Accounts & Payments division at St. Helens Council shall be informed immediately upon noticing the loss of the card.

4.13 Acknowledgement and Indemnity Form for the use of Authority Credit Cards

NAME:

DEPARTMENT:

TELEPHONE NO:

I acknowledge receipt of Credit Card No. And understand that:

- i. At all times the card will remain the property of Merseyside Waste Disposal Authority.
- ii. The card must not be used for any unauthorised purpose;
- iii. All relevant Financial Regulations, Financial Instructions and Standing Orders will be observed in conjunction with the use of the card;
- iv. Transactions entered into on the card will only be those where the use of official orders would prove inoperable;
- v. No other claim will be made for those items for which the card has been used;
- vi. I will return the card on demand to Merseyside Waste Disposal Authority.
- vii. Official receipts will be obtained for every transaction completed on the card and retained, alongside all relevant accompanying documentation. All such documentation will be made available to the Business Support Manager to enable relevant accounting entries and VAT reimbursement to be made;
- viii. Merseyside Waste Disposal Authority reserves the right to terminate the provision of credit facilities at its discretion;
- ix. The card must be recognised as a valuable possession, and kept in safe possession at all times;
- x. The card must be preserved in good condition -a damaged card may not be accepted by retailers;
- xii. The Accounts & Payments division at St. Helens Council must be informed immediately upon noticing the loss of the card.

SIGNATURE:

DATE:

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SECTION FIVE

BANK ACCOUNTS

"Must be balanced and solvent"

5.1 OFFICIAL FUNDS

- 5.1.1 No income or expenditure should be processed through any accounts other than the bank accounts operated by St Helens Council and shared by the Authority unless the approval to do so has been obtained from the Treasurer to the Authority.
- 5.1.2 No Officer shall open any bank account for official funds without the approval of the Treasurer to the Authority who shall approve the administrative arrangements.
- 5.1.3 A minimum of two Officers shall be required to authorise payment from an account except the Authority's main payments accounts.
- 5.1.4 The approval of the Treasurer to the Authority is required before initiating arrangements for:
 - (i) the incurring of bank charges;
 - (ii) the setting up of direct debit or standing order payments;
 - (iii) any other means of debiting an account not referred to in (i) or (ii).
- 5.1.5 A list of authorised signatories is maintained by St Helens Council for each account along with specimen signatures. Authorised signatories are restricted to those designated by St Helens Council, and no Authority officer is currently designated as an authorised signatory in respect of the bank accounts.
- 5.1.6 A bank reconciliation should be undertaken no less frequently than once per month by St Helens Council. Where the nature of this account, or other procedures specify more frequent reconciliations, these should be adhered to.
- 5.1.8 All records should be stored in an orderly manner and shall be accessible for inspection at all times.
- 5.1.9 Where there are detailed procedures available in administering bank accounts, Officers should ensure they are complied with at all times, although this in reality applies only to the St Helens Council officers operating the bank accounts.

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- 5.1.10 Any monies, cheque books and other bank account stationery required to be held by the Authority shall be securely stored at all times with access restricted to Senior Officers.
- 5.1.11 Blank cheques should never be signed.

SECTION SIX

ASSET CONTROL

"The Authority must safeguard its assets and use them effectively"

6.1 INSURANCES

6.1.1 NOTIFICATION OF NEW RISK TO BE INSURED

6.1.1.1 It is the responsibility of the Treasurer to ensure that risks are identified and properly insured and to have systems in place to notify the relevant insurance company of any new risks. This will include items purchased or disposed of and any changes in the level or nature of their activities which might affect the risk to be insured.

6.1.1.2 Any decision to carry out work for other bodies must be notified to the Business Services Manager and / or Treasurer in advance to enable the necessary insurance arrangements to be made and the cost to be taken into account.

6.1.2 NOTIFICATION OF POTENTIAL CLAIMS

6.1.2.1 Incidents (actual or potential) of a serious nature which may lead to major claims should be reported to the Business Services Manager and / or Treasurer as soon as possible.

6.1.2.2 The Treasurer and / or the Business Services Manager shall notify the Insurance Broker of any incident as soon as possible after the incident occurs. Together with the Insurance Broker the Treasurer and / or the Business Services Manager will ensure the insurance broker is provided with such details of the incident as are required to properly make a claim against the relevant insurance policy.

6.1.2.3 No attempt should be made to resolve insurance related matters without involving the Authority's Insurance Broker who will provide instruction and informing the Authority's Treasurer.

6.1.3 LIMIT OF INSURANCE COVER ON SAFES

6.1.3.1 All Officers responsible for safes should ensure the upper limit of cash covered by the Authority's insurance policies is not exceeded. Personal monies are not covered by the Authority's insurance policies.

6.1.4 CLAIMS PROCEDURE

6.1.4.1 Claims should be made as soon as the loss is discovered. It should be noted that the Insurer may refuse to deal with claims that are unreasonably delayed. General procedures are as follows:

(i) Cash

All cases involving the theft of cash must be reported to the Chief Executive or a Director / Assistant Director of the Merseyside Waste Disposal Authority and to the Internal Audit Section of the Chief Executive's Department at St. Helens Council. The theft must be reported by the Treasurer and / or the Business Services Manager to the police to enable them to carry out such investigation as they require.

The Treasurer and / or the Business Services Manager shall notify the Insurance Broker of any incident as soon as possible after the incident occurs. Together with the Insurance Broker the Treasurer and / or the Business Services Manager will ensure the insurance broker is provided with such details of the incident as are required to properly make a claim against the relevant insurance policy.

(ii) Equipment

If theft of equipment occurs the Treasurer and Internal Audit at St. Helens Council must be notified in writing. The Treasurer and / or the Business Services Manager must be informed in order to pursue any insurance claim in respect of the theft. The senior manager of the section where the theft occurs will be responsible for ensuring the theft is reported to the police for them to carry out such investigation as they require.

The Treasurer and / or the Business Services Manager shall notify the Insurance Broker of any incident as soon as possible after the incident occurs. Together with the Insurance Broker the Treasurer and / or the Business Services Manager will ensure the insurance broker is provided with such details of the incident as are required to properly make a claim against the relevant insurance policy.

(iii) Liabilities

Claims against the Authority by employees or members of the public should be forwarded to the Treasurer and / or the Business Services Manager who shall notify the Insurance Broker of any incident as soon as possible after the event occurs. No admission of liability shall be made. Together with the Insurance Broker the Treasurer and / or the Business Services Manager will ensure the insurance broker is provided with such details of the incident as are required to properly make a claim against the relevant insurance policy.

(iv) General

Correspondence from the Authority's insurers or their agents must be dealt with promptly. Any relevant information they require in order to settle a claim must be fully provided.

6.1.5 Any additional information or guidance can be obtained from the Treasurer

6.2 DISPOSALS

6.2.1 DISPOSAL OF FURNITURE AND EQUIPMENT

6.2.1.1 The Chief Executive should determine those items which are surplus to requirements and inform the Business Services Manager of his/her decision.

6.2.1.2 All disposals should be made in accordance with the appropriate Authority procedures.

6.2.1.3 The Chief Executive or their representative, in consultation with the Business Services Manager, should first inspect the items and decide:

(i) if they can be re-used in their existing condition, in which case they should be publicised for re-use throughout the Authority.

(ii) the approximate value of the items, if appropriate.

6.2.1.4 If no Authority section has expressed an interest in a surplus item, its sale by tender should be advertised via the Business Services Manager. Depending upon the nature and value of the surplus item(s), these will be advertised for purchase by staff and / or in a newspaper circulating within the locality and formal bids invited by a specified closing date. A reserve price may be specified.

6.2.1.5 Bids should be submitted in pre-addressed envelopes and, kept unopened until the last day of return, when the envelopes should be opened by two

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Officers from the Merseyside Waste Disposal Authority one of whom should be from the Business Services Section.

6.2.1.6 The bids should be recorded in a register for this purpose. Where there are a number of items of relatively low value and a price list is advertised, individuals may express an interest in purchasing the item at the price specified. Where no other interest is expressed the item(s) may be sold to the individual at that price. Where more than one person has expressed an interest then the winning offer will be selected by lottery.

6.2.1.7 The highest offer should be accepted and, if other than this is to be accepted, or if the value of the offers exceeds £25,000, the proposed disposal should be subject to approval via the Executive Decision Process for consideration.

6.2.1.8 If the item(s) for disposal are of a technical or specialised nature, the Business Services Manager may supplement the local advertisement by simultaneously inviting sealed bids from organisations:

- (i) who have previously registered an interest in equipment of the type for disposal and have been held on a relevant list;
- (ii) who have responded to an advert placed in a relevant trade journal;
- (iii) believed by the Business Services Manager to be possibly interested in the items for disposal, when no list exists.

6.2.1.9 Should there be no interest following the closing date of an advertising process then the Chief Executive or representative may dispose of the goods appropriately.

6.2.1.10 Any deviation in this process, excepting for the circumstances as detailed at 6.3.5 below, shall be subject to approval by Executive Decision.

6.3 DISPOSAL OF LAND AND PROPERTY

6.3.1 The Chief Executive or his/her designated representatives should regularly review the use of land and property under their control. Any such assets, which are considered to be surplus to requirements, should be dealt with by either the Executive or Key Decision process and in accordance with the Authority's Constitution (Financial Procedural Rules and the guidance on the financial limits and procedures set out in the Contract Procedure Rules, adapted for the condition of selling an asset rather than procuring a service).

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6.3.2 Exceptions

The above instructions will not apply for any disposal where there are stated special circumstances and which have been excepted by the Executive Decision making process.

6.4 INVENTORIES

6.4.1 An up-to-date electronic register of equipment and property at Merseyside Waste Disposal Authority and its establishments should be maintained by the responsible officer. This record should contain:

- description of item
- locations
- dates purchased (if available)
- serial numbers
- dates of disposal
- method of disposal

6.4.2 Items purchased from non-official funds should be included, but clearly identified as non-Authority items.

6.4.3 The inventory is not intended to include consumables of small value.

6.4.4 The inventory should be subject to annual certification as to its accuracy and completeness by the Business Services Manager.

6.5 REMOVAL OF PROPERTY AND EQUIPMENT

6.5.1 No property of the Authority should be used for personal purposes without the permission of the Treasurer. Any Officer who removes property and equipment for authorised purposes from the establishment where it is normally kept, shall obtain the permission of the Business Services Manager prior to removal. A record of all such property will be retained at the establishment and include date of removal, name and signature of officer and date of return (confirmed by authorising officer).

6.6 VALUABLE DOCUMENTS

6.6.1 Valuable documents and documents which have a monetary value are subject to the same personal responsibility and security arrangements that apply to cash.

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- 6.6.2 Officers are responsible for their safe custody and correct use and will be held responsible for any misuse or failure to control whilst under their control.
- 6.6.3 The level of detail maintained should be commensurate with the risk of loss from the theft of an item.

6.7 LOST PROPERTY

- (i) The Merseyside Waste Disposal Authority should make arrangements for a lost property record at an establishment level.
- (ii) All items found should be recorded in an electronic register established for that purpose and which should identify the date, nature of the item, the name and address of the person who found the property. The property should be held in a secure place.
- (iii) Cash should be paid in immediately, a receipt obtained and maintained with the lost property record.
- (iv) Where the owners identity is known he/she should be notified in writing and requested to collect the property. In all cases a signature must be obtained for items returned to the owner.
- (v) Where goods are unclaimed after a six month period, they should be offered to the person who found them. A signature must be obtained for any item claimed in this manner.
- (vi) If for any reason goods are not claimed as described in (iv) and (v) above, they should be disposed of after the relevant period has expired in accordance with the disposal procedure.
- (vii) Goods considered to be of material value (i.e. Cash, jewellery, watches, rings audio/visual equipment) should be forwarded to the Police immediately after recording in the lost property record. A record of receipt should be obtained from the Police and retained with the lost property record.

SECTION SEVEN

TAXATION

"Taxation should be applied where required and clearly accounted for"

7.1 V.A.T.

7.1.1 CODING

7.1.1.1 It is essential that all V.A.T. is coded correctly, as failure to do so can result in loss of monies to the Authority. Where V.A.T. is being reclaimed, it is essential that a valid tax invoice is held, otherwise the V.A.T. suspense code should be used until an invoice is obtained.

7.1.1.2 For goods and services of a value in excess of £250, a full tax invoice is required.

7.1.1.3 A full tax invoice must satisfy the criteria set out below:

- (a) identifying number;
- (b) date of supply (i.e. tax point);
- (c) name, address and registration number of the supplier;
- (d) name and address of the person to whom the goods or services are supplied;
- (e) type of supply (i.e. sale, loan, etc.);
- (f) description sufficient to identify the goods or services;
- (g) quantity of goods or, extent of service, rate of tax and amount payable;
- (h) gross amount payable excluding tax;
- (i) amount of tax chargeable.

7.1.1.4 Less detailed tax invoices may be used to reclaim V.A.T. when the supply is less than £250 in value. The following details must be shown on each invoice:

- (a) name, address and registration number of supplier;
- (b) date of supply;
- (c) description of goods/services;
- (d) total amount payable including V.A.T.;
- (e) rate of tax.

7.1.1.5 V.A.T. Regulations stipulate that invoices must be kept for a minimum of 6 years. Where storage is a problem, microfilmed copies will be accepted, but must be available to V.A.T. officers at any time.

7.1.2 CALCULATION

7.1.2.1 The amount of V.A.T. payable on a transaction is determined by the rate of V.A.T. and the nature of the transaction. Goods and services will either be subject to V.A.T. at the Standard Rate; at Zero Rate; at a rate other than the Standard Rate; or exempt / outside the scope.

7.1.2.2 These rates, and the goods and services to which they apply, are determined by Act of Parliament and enforced by H.M. Customs and Excise.

7.1.2.3 Details of current rates of V.A.T., and the goods and services to which they apply, are available to staff through the St Helens Council VAT manual or the HMRC website.

7.1.3 Any correspondence or queries with the V.A.T. Office should be dealt with via the Accountancy & Payments Section, Finance Division, Chief Executive's Department at St. Helens Council.

7.2 INCOME TAX

7.2.1 The Inland Revenue places individuals whose services are bought in by the Authority into two categories:

- (i) those who are regarded as 'employees' for tax purposes and who must be paid via the payroll system where a tax assessment is made;
- (ii) those who are regarded as 'self-employed' for tax purposes who may be paid directly, gross of any Income Tax. Such payments should be made on presentation of an invoice.

- 7.2.2 It is the role of the Inland Revenue to determine the tax status of a service provider and not the Authority. However, as general guidance the following should apply:
- (i) anyone employed on a strictly "one-off" basis can be regarded as self-employed and paid gross e.g. a local builder providing "one-off" repair service;
 - (ii) where the nature of the employment becomes more regular, the arrangement should be reviewed with a view to making the worker an employee and payments made through the payroll system.
- 7.2.3 The onus is on the individual service provider to obtain permission from the Inland Revenue to be paid on a different basis to that determined by the Authority. Each case has its own circumstances and the Inland Revenue will consider them.
- 7.2.4 If there is the remotest chance that an individual may be regarded as an employee, as opposed to self-employed, payment should be made through payroll.
- 7.2.5 If you have any doubt about how to deal with such an issue, contact the Business Services Manager.
- 7.2.6 Failure to carry out the correct action could result in financial penalties against the Authority.

7.3 CONSTRUCTION INDUSTRY TAX DEDUCTION SCHEME

- 7.3.1 Certain payments to third party contractors will involve the potential deduction of tax.
- The Inland Revenue's Tax Deduction Scheme applies to construction work and certain maintenance work including installation, repairs, decoration and demolition.
- 7.3.2 Officers involved in the payment of invoices for such work should establish whether the payment falls within the Scheme. Further guidance on the types of work covered can be obtained from the H.M. Revenue and Customs at <http://www.hmrc.gov.uk/cis>
- 7.3.3 The nominated officer shall check that the sub-contractor is registered under the scheme and where the sub-contractor is not registered, make the necessary tax deduction determined by the scheme.
- 7.3.4 St Helens Council, as service provider, shall ensure that a nominated officer is responsible for administering the scheme, including the tax deduction element.

- 7.3.5 Nominated officers shall ensure tax deducted, and monthly returns are passed to Inland Revenue within the required timescale.

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SECTION EIGHT

ADVICE AND ASSISTANCE

"If in doubt seek advice!"

8.1 Financial Instructions attempt to provide advice and assistance for officers in relation to financial matters. Further advice on the application of these Instructions, interpretation of the contents of the Instructions and the impact of these Instructions on procedures is available from a number of sources. In the first instance your immediate Line Manager or Business Support Manager should be contacted. If further advice is required this can be given by staff within the Finance Division of the Chief Executive's Department at St. Helens Council

8.2 Specific or specialist advice is also available from the following sources:

Issue	Contact	Contact Details
Ordering Goods	Business Services	Jane Nolan
Payments and Invoices	Business Services	Jane Nolan
Income and Cashiering	Business Services	Jane Nolan
Accounting and Budgeting	Business Support Manager	Peter Bedson
Banking	Business Support Manager	Peter Bedson
Capital and Assets	Business Support Manager	Peter Bedson
Payroll and Income Tax	Business Services	Jane Nolan
VAT	Business Support Manager	Peter Bedson
Fraud, Misappropriation, Loss and Error	Internal Audit External Audit	Barbara Aspinall Grant Thornton

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Grant Claims	Business Services	Jane Nolan
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- 8.3 The use of public money places significant responsibilities on those employed to administer and manage its effective deployment. Error, loss and misuse of public money can have immense impact on the individuals responsible for that loss and the Authority as a whole. Losing the trust of the Authority's stakeholders can have implications beyond the actual event which caused that loss of trust. It is for these reasons that staff are asked to seek advice if they are unsure or concerned about any specific issue affecting their involvement with financial administration.

SECTION NINE

FINANCIAL RECORDS

"All income and expenditure should be supported by adequate documentation"

- 9.1 All financial records, should be stored in a safe environment, and must be available and readily accessible. This principle applies to both electronic and paper records.
- 9.2 The vast majority of financial transactions are generated electronically, and as such are stored and backed-up in accordance with IT back-up and recovery protocols. Where any financial information is recorded outside the main accounting systems, information should not be stored on 'stand alone' personal computers. In such cases, all relevant files should be stored on shared drives, or if not possible, backed up using appropriate external storage devices, such as disks or external memory. Further advice is provided in the Authority's ICT Guide.
- 9.3 Where manual records are held, the Manager of each service must ensure that the storage medium is appropriate, secure, and complies with legislative requirements, or the requirements of any authorised inspection agency. In particular, all information held must comply with the requirements of our external auditors.
- 9.4 The manner in which financial information is retained, must, where applicable, be able to support any legal action which may be taken by, or against, the Authority relating to financial transactions.
- 9.5 All information retained, and the timescales for retention should be consistent with statutory requirements. A Document Retention Guide is available to staff but it is the

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responsibility of each Manager to ensure that this Guide is regularly reviewed and updated, to take into account any changes in legislative or audit requirements relating to their service.

- 9.6 Retention and disposal of information is subject to the requirements of the Data Protection Act and the Freedom of Information Act, and the Retention and Disposal Guide will reflect these requirements.